



CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: February 17, 2011	
SUBJECT/REPORT NO: 2011 Tax Supported Operating Budget – Other Programs (FCS11023d) (City Wide)	
SUBMITTED BY: Roberto Rossini General Manager Finance & Corporate Services Department	PREPARED BY: Tom Hewitson (905) 546-2424 ext 4159
SIGNATURE:	

RECOMMENDATION

- (a) That the 2011 net operating levy for the Legislative of \$3,408,542 be considered;
- (b) That the 2011 net operating levy for the Corporate Financials of \$9,437,195 be considered;
- (c) That the 2011 net operating levy for the Non-Program Revenues of (\$37,879,250) be considered;
- (d) That the 2011 Capital Financing Charges of \$83,686,000 be considered.

EXECUTIVE SUMMARY

This report deals with those areas that do not fall within an operating department. They include the Legislative, Corporate Financials/Non-Program Revenues and Capital Financing budgets. The Capital financing budget represents the impacts of the Capital budget on the operating budget. Depending on the final approved Capital budget, the Capital financing budget will be adjusted accordingly. The Corporate Financials/Non-Program Revenues budget consists of non-program expense and revenue items including corporate contingencies, corporate savings targets (gapping), Ontario Municipal Provincial Funding (OMPF) and special grant revenue, property tax related revenues and provisions, Horizon Utilities Corporation dividend and Provincial Offences Act and Investment revenues.

Legislative Budget

The draft 2011 Legislative budget is submitted for Council's consideration.

2010 Budget	\$3,425,500
2011 Draft Budget	\$3,408,500
\$ Change	(\$17,000)
% Change	(0.5%)

As shown above, the draft 2011 Legislative budget results in a net levy decrease of approximately -\$17,000 or -0.5%. The small reduction is primarily the result of an increase in recoveries. It should be noted that the budget includes the freeze to Councillor and Mayor wages as directed by Council.

Legislative Complement

The 2011 draft complement for the Legislative is 24 FTE, which is consistent with the 2010 approved complement.

	2010		2011 Draft	2011 Draft vs 2010 Restated	
	Approved	Restated			
Legislative	24.00	24.00	24.00	-	0.0%

**SUBJECT: 2011 Tax Supported Operating Budget – Other Programs (FCS11023d)
(City Wide) - Page 3 of 9**

Corporate Financials Budget

The draft 2011 Corporate Financials budget is submitted for Council's consideration.

2010 Budget	\$2,751,000
2011 Draft Budget	\$9,437,200
\$ Change	\$6,686,200
% Change	243.0%

As shown above, the draft 2011 Corporate Financials budget results in a net levy increase of approximately \$6.7 million or 243%. This increase is largely related to compensation provisions which reflect Council direction as of January 10, 2011 (GIC). Also included within this budget are provisions for non-union compensation increase for COLA of 1.5% (\$1.167 million) and the second phase of the non-union percentile phase-in (\$1.2 million). Both of these items are included further to Council direction received in 2009.

The Corporate Financials budget also includes the operating impacts from capital projects approved in 2010 (FCS09114 - 2010 Tax Supported Capital Budget). Although \$997,000 was approved, only \$582,000 has been included in the 2011 budget due to the deferral of some projects.

Corporate Financials Complement

The 2011 draft complement for Corporate Financials is 7.42 FTE which represents the complement associated with operating impacts from capital which were approved as part of the 2010 Capital Budget. Once the 2011 budget is approved, these FTE will be transferred to the appropriate department.

	2010		2011 Draft	2011 Draft vs 2010 Restated	
	Approved	Restated			
Corporate Financials	-	4.00	7.42	3.42	85.5%

**SUBJECT: 2011 Tax Supported Operating Budget – Other Programs (FCS11023d)
(City Wide) - Page 4 of 9**

Non-Program Revenues Budget

The draft 2011 Non- Program Revenues budget is submitted for Council's consideration.

2010 Budget	(\$58,873,300)
2011 Draft Budget	(\$37,879,200)
\$ Change	\$20,994,100
% Change	35.7%

As shown above, the draft 2011 Non-Program Revenues budget results in a net levy increase of approximately \$21 million or 35.7%. This significant increase is due to a \$21.8 million reduction in OMPF and special provincial funding. In 2010, the OMPF and special funding was \$25.8 million. For 2011, \$4.0 million is being requested from the Province and included in the budget. The loss of grant funding is offset by the upload savings of -\$21.8 M realized in Community Services.

Other items included in this budget are further identified in the "Analysis /Rationale for Recommendation" section of this report.

Capital Financing Budget

The draft 2011 Capital Financing budget is submitted for Council's consideration.

2010 Budget	\$80,436,100
2011 Draft Budget	\$83,686,000
\$ Change	\$3,249,900
% Change	4.0%

As shown above, the 2011 draft Capital Financing budget is increasing \$3.25 million or 4.0%, which supports the recommended 2011 Tax Capital budget and results in a 0.5% residential municipal tax impact.

Alternatives for Consideration – See Page 8

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: The draft 2011 Legislative budget results in a net levy decrease of approximately -\$17,000 or -0.5%.

The draft 2011 Corporate Financials budget results in a net levy increase of \$6.7 million or 243%.

The draft 2011 Non-Program Revenues budget results in a net levy increase of \$21 million or 35.7%.

The draft 2011 Capital Financing budget results in a net levy increase of \$3.25 million or 4.0%.

Staffing: The draft 2011 Legislative budget results in a complement of 24 FTE, representing no change from the 2010 complement.

The 2011 draft complement of 7.42 FTE in Corporate Financials is as a result of operating impacts from Capital approved as part of the 2010 Capital budget.

Legal: N/A

HISTORICAL BACKGROUND (Chronology of events)

As directed by the General Issues Committee (GIC) on January 21st, staff are bringing forward the 2011 draft budget based on the City's current position. The budget summaries are included in the attached Appendix One to report FCS11023d. Senior Management Team will continue its internal process to develop further budget savings and present these during budget deliberations in March/April, 2011.

POLICY IMPLICATIONS

N/A

RELEVANT CONSULTATION

The budget has been developed in conjunction with internal and external partners.

**SUBJECT: 2011 Tax Supported Operating Budget – Other Programs (FCS11023d)
(City Wide) - Page 6 of 9**

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

Legislative

As indicated, the Legislative draft budget is decreasing by approximately -\$17,000 or - 0.5%. The following table identifies the draft budget by division.

	2010		2011			2011 Draft vs. 2010 Budget	
	Budget	Projected Actuals	Base Budget	Savings Options	Draft Budget	\$	%
LEGISLATIVE							
Mayor	977,435	972,045	977,435	0	977,435	0	0.0%
Volunteer Committees	88,290	88,290	88,290	0	88,290	0	0.0%
Legislative Budget	(464,008)	(463,254)	(483,161)	0	(483,161)	(19,153)	(4.1)%
Ward Budgets	2,823,821	2,817,794	2,825,978	0	2,825,978	2,157	0.1%
TOTAL LEGISLATIVE	3,425,538	3,414,875	3,408,542	0	3,408,542	(16,996)	(0.5)%

The volunteer committee budgets will be submitted to their respective Council committee during the budget process for approval.

The small decrease in the Legislative budget is due to an increase in internal recoveries. As noted previously, the budget includes a freeze to the Mayor and Councillor's wages as directed by Council.

Corporate Financials/Non-Program Revenues

The Corporate Financials budget summary is provided in the table below.

	2010		2011			2011 Draft vs. 2010 Budget	
	Budget	Projected Actuals	Base Budget	Savings Options	Draft Budget	\$	%
CORPORATE FINANCIALS							
Corporate Pensions/Benefits & Contingency	6,390,976	8,643,835	13,077,195	0	13,077,195	6,686,219	104.6%
Corporate Reductions/Initiatives	(4,140,000)	0	(4,140,000)	0	(4,140,000)	0	0.0%
Senior Tax Credit	500,000	592,400	500,000	0	500,000	0	0.0%
TOTAL CORPORATE FINANCIALS	2,750,976	9,236,235	9,437,195	0	9,437,195	6,686,219	243.0%

As discussed, the \$6.7 million increase in the Corporate Financials budget is primarily related to compensation contingencies. This includes a provision for unsettled union contracts consistent with Council direction (January 10th). It also includes provisions for non-union compensation increase for COLA of 1.5% (\$1.167 million) and the second phase of the non-union percentile phase-in (\$1.2 million). Both of these items are included further to Council direction received in 2009.

**SUBJECT: 2011 Tax Supported Operating Budget – Other Programs (FCS11023d)
(City Wide) - Page 7 of 9**

Other items of note include Flamboro Slot revenues, which remain budgeted at 2010 amount of \$4,400,000 (2010 actuals were about \$4,433,000). Also included in the Corporate Financials are parkland purchases that have been approved to be area rated, which for 2011 has increased \$260,000. This increase is related to new purchases area rated to Stoney Creek (\$230,000) and Dundas (\$30,000).

As identified above, the budget continues to count on \$4.1 million in gapping savings for 2011. Actuals for 2010 are still being analysed, but the August variance report included a projection of \$3.1 million saved to date with an expected further \$1.0 million in savings to year-end. The savings are budgeted in the Corporate Financials, but realized in the departmental budgets (hence the \$0 2010 actual in the table above).

The Non-Program Revenue budget is summarized in the table below:

	2010		2011			2011 Draft vs. 2010 Budget	
	Budget	Projected Actuals	Base Budget	Savings Options	Draft Budget	\$	%
NON PROGRAM REVENUES							
Hydro Dividends	(5,000,000)	(5,000,000)	(5,000,000)	0	(5,000,000)	0	0.0%
Investment Income	(4,000,000)	(4,000,000)	(4,000,000)	0	(4,000,000)	0	0.0%
Penalties & Interest	(7,700,000)	(8,050,000)	(7,700,000)	0	(7,700,000)	0	0.0%
Payments in Lieu of Taxes	(13,999,999)	(14,605,452)	(13,999,999)	0	(13,999,999)	0	0.0%
POA	(2,884,638)	(2,729,902)	(3,168,851)	0	(3,168,851)	(284,213)	(9.9)%
Right of Way Taxes	(3,204,000)	(3,204,000)	(3,204,000)	0	(3,204,000)	0	0.0%
Supplementary Taxes	(6,300,000)	(9,000,000)	(6,700,000)	0	(6,700,000)	(400,000)	(6.3)%
Capping	450,000	217,036	350,000	0	350,000	(100,000)	(22.2)%
Tax Remissions / Write Offs	9,543,600	9,499,300	9,543,600	0	9,543,600	0	0.0%
TOTAL NON PROGRAM REVENUES	(33,095,037)	(36,873,018)	(33,879,250)	0	(33,879,250)	(784,213)	(2.4)%
PROVINCIAL FUNDING / OMPF	(25,778,305)	(25,778,305)	(4,000,000)	0	(4,000,000)	21,778,305	84.5%
TOTAL NON PROGRAM REVENUES	(58,873,342)	(62,651,323)	(37,879,250)	0	(37,879,250)	20,994,092	35.7%

As discussed previously, the most significant item impacting this budget is the loss in provincial OMPF and special grant funding (\$21.8 million). The 2011 budget assumes the Province will provide \$4.0 million in special funding to ensure that the City experiences no net impact from the difference in upload savings (\$21.8 million) and the 2010 funding (\$25.8 million). The upload savings occur in the Community Services budget.

There are a number of other significant revenue and expense items in this budget as identified above. A number of these items are projected to provide levy reduction for 2011. These include supplementary tax revenue, Provincial Offences Act (POA) revenue and Tax Capping provisions.

With respect to Supplementary Taxes (tax revenue received in year due to properties being added to the assessment roll), the budgeted revenue is increasing \$400,000 from \$6.3 million in 2010 to \$6.7 million in 2011.

**SUBJECT: 2011 Tax Supported Operating Budget – Other Programs (FCS11023d)
(City Wide) - Page 8 of 9**

The following table highlights the previous five years for this revenue:

NPR - Supplementary Taxes

	2006	2007	2008	2009	2010
Actuals	6,218,678	6,528,033	8,404,353	9,177,281	9,465,003

The budget of \$6.7 million represents 1% of the 2010 levy. In essence, budgeting this amount requires an additional 1% assessment to be added to the levy each year. As is identified above, this amount has been exceeded from 2008-2010. However, the budget exceeds the amount experienced in 2006-2007. Budgeting greater than the \$6.7 million would represent an increased risk of budget shortfall, if supplementary tax revenue returned to 2006/2007 levels.

With respect to POA revenue, although the chart above indicates the potential for a small shortfall in the 2010 actuals, this was a preliminary estimate. Staff are reviewing final POA revenue for 2010 and expect a favourable variance. Thus, the 2011 budget has been increased to provide some levy savings.

Capital Financing

	2010		2011			2011 Draft	
	Budget	Projected Actuals	Base Budget	Savings Options	Draft Budget	vs. 2010 Budget	
						\$	%
CAPITAL FINANCING							
Planning & Economic Development	895,400	895,400	892,440	0	892,440	(2,960)	(0.3)%
Community Services	6,550,870	6,550,870	6,561,320	0	6,561,320	10,450	0.2%
Public Health	85,980	85,980	85,980	0	85,980	0	0.0%
Hamilton Emergency Services	1,074,750	1,074,750	1,075,340	0	1,075,340	590	0.1%
Public Works	39,506,370	39,506,370	41,475,970	0	41,475,970	1,969,600	5.0%
Corporate Financials	30,531,070	28,031,070	31,799,530	0	31,799,530	1,268,460	4.2%
Police	921,740	921,740	925,600	0	925,600	3,860	0.4%
Boards & Agencies	869,961	869,820	869,820	0	869,820	(141)	(0.0)%
TOTAL CAPITAL FINANCING	80,436,141	77,936,000	83,686,000	0	83,686,000	3,249,859	4.0%

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

As part of the budget deliberations, Council can direct changes to the budget as required. Staff will also continue to monitor the 2010 year-end actuals in an effort to identify further opportunities to reduce the 2011 budget.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability,
3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development,
6. Environmental Stewardship, 7. Healthy Community

Financial Sustainability

◆ Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner

Healthy Community

◆ An engaged Citizenry

APPENDICES / SCHEDULES

Appendix One – 2011 Budget Summaries

APPENDIX 1
BUDGET SUMMARIES

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

Legislative

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Legislative Budget	(464,008)	(463,254)	(483,161)	0	(483,161)	(19,153)	(4.1)%
Mayor	977,435	972,045	977,435	0	977,435	0	0.0%
Volunteer Committee	88,290	88,290	88,290	0	88,290	0	0.0%
Ward Budgets	2,823,821	2,817,794	2,825,978	0	2,825,978	2,157	0.1%
NET LEVY	3,425,538	3,414,875	3,408,542	0	3,408,542	(16,996)	(0.5)%

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Cost Category

Legislative

	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	2011 Draft \$	%
<i>EMPLOYEE RELATED COST</i>	3,265,945	3,251,215	3,224,113	0	3,224,113	(41,832)	(1.3)%
<i>MATERIAL AND SUPPLY</i>	648,169	648,169	630,582	0	630,582	(17,587)	(2.7)%
<i>VEHICLE EXPENSES</i>	3,240	3,240	3,430	0	3,430	190	5.9%
<i>BUILDING AND GROUND</i>	15,100	15,100	11,630	0	11,630	(3,470)	(23.0)%
<i>CONSULTING</i>	7,000	7,000	65,191	0	65,191	58,191	831.3%
<i>CONTRACTUAL</i>	103,854	106,965	112,164	0	112,164	8,310	8.0%
<i>AGENCIES and SUPPORT PAYMENTS</i>	37,770	37,770	37,770	0	37,770	0	0.0%
<i>RESERVES / RECOVERIES</i>	62,437	63,393	61,735	0	61,735	(702)	(1.1)%
<i>COST ALLOCATIONS</i>	(811,537)	(811,537)	(832,633)	0	(832,633)	(21,096)	(2.6)%
<i>FINANCIAL</i>	118,320	118,320	119,320	0	119,320	1,000	0.8%
TOTAL EXPENDITURES	3,450,298	3,439,635	3,433,302	0	3,433,302	(16,996)	(0.5)%
<i>RESERVES</i>	(24,760)	(24,760)	(24,760)	0	(24,760)	0	0.0%
TOTAL REVENUES	(24,760)	(24,760)	(24,760)	0	(24,760)	0	0.0%
NET LEVY	3,425,538	3,414,875	3,408,542	0	3,408,542	(16,996)	(0.5)%

CITY OF HAMILTON

2011 TAX OPERATING BUDGET

By Program

Corporate Financials and Non Program Revenues

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Corporate Financials							
<i>Operating</i>	6,390,976	8,643,835	13,077,195	0	13,077,195	6,686,219	104.6%
<i>Reductions/Initiatives</i>	(4,140,000)	0	(4,140,000)	0	(4,140,000)	0	0.0%
<i>Senior Tax Credit</i>	<u>500,000</u>	<u>592,400</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0.0%</u>
Total Corporate Financials	2,750,976	9,236,235	9,437,195	0	9,437,195	6,686,219	243.0%
Non Program Revenues							
<i>Hydro Dividends & Interest</i>	(5,000,000)	(5,000,000)	(5,000,000)	0	(5,000,000)	0	0.0%
<i>Investment Income</i>	(4,000,000)	(4,000,000)	(4,000,000)	0	(4,000,000)	0	0.0%
<i>Penalties and Interest</i>	(7,700,000)	(8,050,000)	(7,700,000)	0	(7,700,000)	0	0.0%
<i>PIL</i>	(13,999,999)	(14,605,452)	(13,999,999)	0	(13,999,999)	0	0.0%
<i>POA</i>	(2,884,638)	(2,729,902)	(3,168,851)	0	(3,168,851)	(284,213)	(9.9)%
<i>Right of Way Taxes</i>	(3,204,000)	(3,204,000)	(3,204,000)	0	(3,204,000)	0	0.0%
<i>Supplementary Taxes</i>	(6,300,000)	(9,000,000)	(6,700,000)	0	(6,700,000)	(400,000)	(6.3)%
<i>Tax Capping</i>	450,000	217,036	350,000	0	350,000	(100,000)	(22.2)%
<i>Tax Remissions/Write Offs</i>	<u>9,543,600</u>	<u>9,499,300</u>	<u>9,543,600</u>	<u>0</u>	<u>9,543,600</u>	<u>0</u>	<u>0.0%</u>
Total Non Program Revenues	(33,095,037)	(36,873,018)	(33,879,250)	0	(33,879,250)	(784,213)	(2.4)%
Provincial Funding/OMPF	(25,778,305)	(25,778,305)	(4,000,000)	0	(4,000,000)	21,778,305	84.5%
NET LEVY	(56,122,366)	(53,415,088)	(28,442,055)	0	(28,442,055)	27,680,311	49.3%

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Cost Category

Corporate Financials and Non Program Revenues

	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	\$	%
<i>EMPLOYEE RELATED COST</i>	4,757,234	11,441,739	10,852,379	0	10,852,379	6,095,145	128.1%
<i>MATERIAL AND SUPPLY</i>	281,724	701,235	68,510	0	68,510	(213,214)	(75.7)%
<i>BUILDING AND GROUND</i>	550	550	2,590	0	2,590	2,040	370.9%
<i>CONTRACTUAL</i>	280,838	109,150	898,196	0	898,196	617,358	219.8%
<i>RESERVES / RECOVERIES</i>	(7,840,186)	1,233,580	(8,391,233)	0	(8,391,233)	(551,047)	(7.0)%
<i>COST ALLOCATIONS</i>	(96,882)	(200,262)	(96,882)	0	(96,882)	0	0.0%
<i>FINANCIAL</i>	21,640,881	11,209,355	21,987,111	0	21,987,111	346,230	1.6%
<i>CAPITAL FINANCING (E)</i>	50,800	50,800	50,800	0	50,800	0	0.0%
TOTAL EXPENDITURES	19,074,959	24,546,147	25,371,471	0	25,371,471	6,296,512	33.0%
<i>FEES AND GENERAL</i>	(24,392,226)	(25,037,518)	(24,676,467)	0	(24,676,467)	(284,241)	(1.2)%
<i>TAX AND RATES</i>	(23,563,999)	(26,872,352)	(23,963,999)	0	(23,963,999)	(400,000)	(1.7)%
<i>GRANTS AND SUBSIDIES</i>	(25,778,305)	(25,778,305)	(4,000,000)	0	(4,000,000)	21,778,305	84.5%
<i>RESERVES</i>	(1,462,795)	(273,060)	(1,173,060)	0	(1,173,060)	289,735	19.8%
TOTAL REVENUES	(75,197,325)	(77,961,235)	(53,813,526)	0	(53,813,526)	21,383,799	28.4%
NET LEVY	(56,122,366)	(53,415,088)	(28,442,055)	0	(28,442,055)	27,680,311	49.3%

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

Capital Levy - Tax

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Boards and Agencies	869,961	869,820	869,820	0	869,820	(141)	(0.0)%
Corporate Financials	30,531,070	28,031,070	31,799,530	0	31,799,530	1,268,460	4.2%
Hamilton Emergency Services	1,074,750	1,074,750	1,075,340	0	1,075,340	590	0.1%
Community Services	6,550,870	6,550,870	6,561,320	0	6,561,320	10,450	0.2%
Public Health	85,980	85,980	85,980	0	85,980	0	0.0%
Planning and Development	895,400	895,400	892,440	0	892,440	(2,960)	(0.3)%
Public Works	39,506,370	39,506,370	41,475,970	0	41,475,970	1,969,600	5.0%
Police	921,740	921,740	925,600	0	925,600	3,860	0.4%
NET LEVY	80,436,141	77,936,000	83,686,000	0	83,686,000	3,249,859	4.0%

CORPORATE FINANCIALS / NON-PROGRAM REVENUES

**Audit, Finance & Administration Committee
February 17, 2011**

- Areas that do not fall within a specific operating department
- Includes non-program expense and revenue items such as:

Corporate contingencies, gapping, Ontario Municipal Provincial Funding (OMPF) and special grant revenue, property tax related revenues and provisions, Horizon Utilities Corporation dividend and Provincial Offences Act, Investment revenues, etc..

2011 NET OPERATING BUDGET BY DIVISION

	2010 Budget	2010 Projected Actual ¹	2011 Draft Budget	2010 Budget / 2011 Draft	
				\$	%
Corporate Financials					
<i>Operating</i>	6,390,976	6,456,335	13,077,195	6,686,219	104.6%
<i>Gapping</i>	(4,140,000)	0	(4,140,000)	0	0.0%
<i>Senior Tax Credit</i>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>	<u>0.0%</u>
Total Corporate Financials	2,750,976	6,956,335	9,437,195	6,686,219	243.0%

¹ updated

Corporate Financials

2011 Budget

“OPERATING” - DETAIL

	2010 Budget	2010 Projected Actual ¹	2011 Draft Budget	2010 Budget / 2011 Draft	
				\$	%
Corporate Financials - Operating					
<i>Contingency Provision</i>	327,495	327,500	6,350,900	6,023,405	1839.2%
<i>Retiree Benefits</i>	8,883,379	8,883,379	8,885,249	1,870	0.0%
<i>Slot Revenues</i>	(4,400,000)	(4,400,000)	(4,400,000)	0	0.0%
<i>Area Rated Levy Parkland Purchases</i>	730,470	730,470	991,695	261,225	35.8%
<i>Operating Impact of Capital</i>	0	0	582,000	582,000	100.0%
<i>Other</i>	<u>849,632</u>	<u>914,986</u>	<u>667,351</u>	<u>(182,281)</u>	<u>(21.5)%</u>
Total Corporate Financials - Operating	6,390,976	6,456,335	13,077,195	6,686,219	104.6%

¹ updated

CLAIMS & PREMIUM COSTS

	(\$ 000's)		
	2010 Budget	2010 Projected Actual ¹	2011 Draft Budget
<i>Claims Costs</i>	6,847	6,135	6,905
<i>Premium Costs</i>	3,853	3,845	3,725
<i>Total Costs</i>	10,700	9,980	10,630
<i>Department Recovery</i>	9,511	9,125	10,222
<i>Contribution from Reserve</i>	1,189	855	408
<i>Total Revenues</i>	10,700	9,980	10,630

¹ updated

Non-Program Revenues

2011 Budget

2011 NET OPERATING BUDGET BY DIVISION

	2010 Budget	2010 Projected Actual ¹	2011 Draft Budget	2010 Budget / 2011 Draft	
				\$	%
Non Program Revenues					
<i>Hydro Dividends & Interest</i>	(5,000,000)	(5,000,000)	(5,000,000)	0	0.0%
<i>Investment Income</i>	(4,000,000)	(4,000,000)	(4,000,000)	0	0.0%
<i>Penalties and Interest</i>	(7,700,000)	(8,050,000)	(7,700,000)	0	0.0%
<i>PIL</i>	(13,999,999)	(14,105,452)	(13,999,999)	0	0.0%
<i>POA</i>	(2,884,638)	(2,729,902)	(3,168,851)	(284,213)	(9.9)%
<i>Right of Way Taxes</i>	(3,204,000)	(3,204,000)	(3,204,000)	0	0.0%
<i>Supplementary Taxes</i>	(6,300,000)	(9,000,000)	(6,700,000)	(400,000)	(6.3)%
<i>Tax Capping</i>	450,000	217,036	350,000	(100,000)	(22.2)%
<i>Tax Remissions/Write Offs</i>	<u>9,543,600</u>	<u>9,499,300</u>	<u>9,543,600</u>	<u>0</u>	<u>0.0%</u>
Total Non Program Revenues	(33,095,037)	(36,373,018)	(33,879,250)	(784,213)	(2.4)%
Provincial Funding/OMPF	(25,778,305)	(25,778,305)	(4,000,000)	21,778,305	84.5%
Total Non Program Revenues	(58,873,342)	(62,151,323)	(37,879,250)	20,994,092	35.7%

¹ updated

2011 MAJOR COST DRIVERS

- **Non-Program Revenues (\$21.0M)**
 - reduction in OMPF and special provincial funding (\$21.8M) offset by corresponding upload savings in CSD
 - assumes \$4.0M special funding in 2011 to remain neutral
 - Partially offset by:
 - Supplementary taxes (-\$400k) to reflect a 2011 budget = 1% of levy
 - POA (-\$284k)
 - Tax Capping (-\$100k) to reflect 2011 preliminary capping requirements

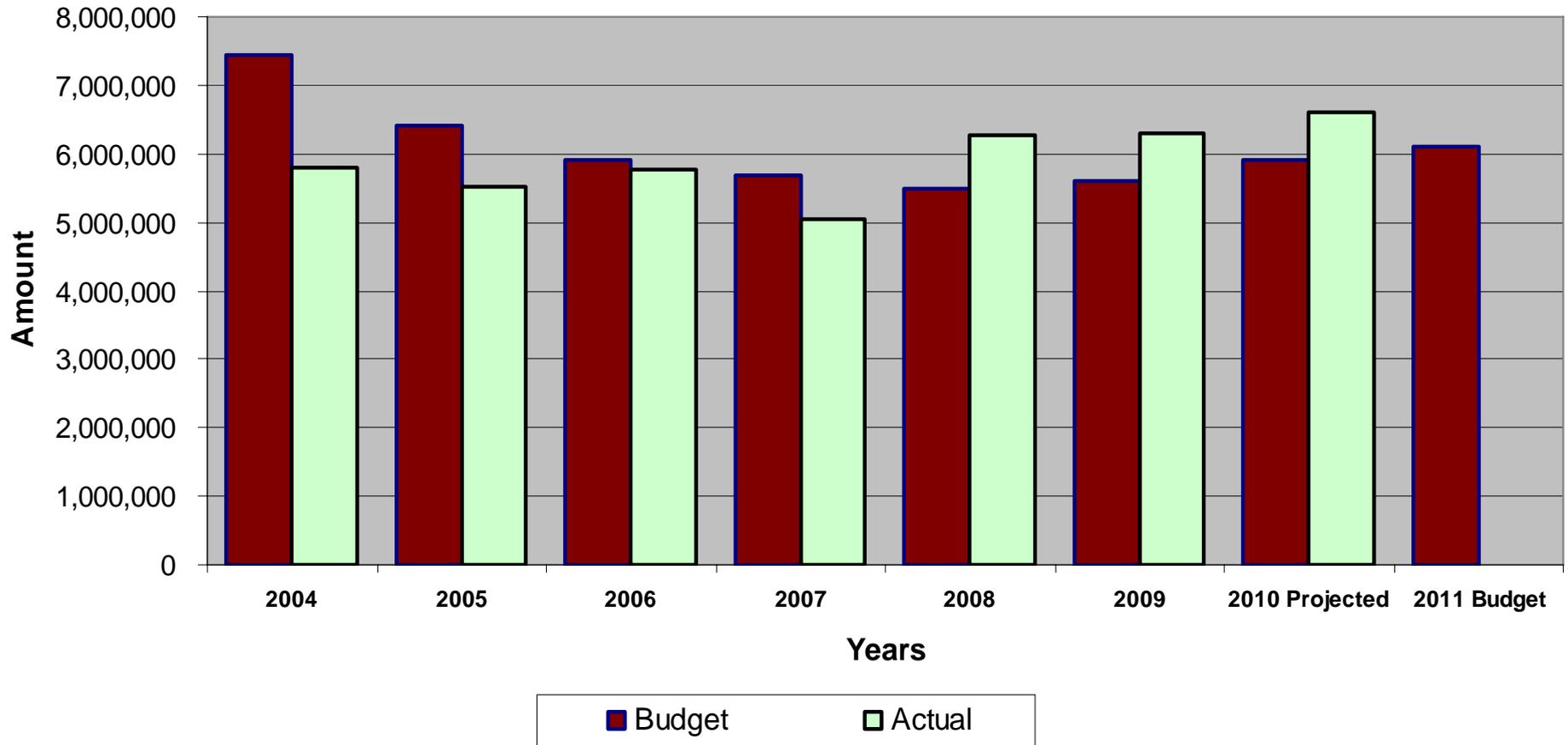
Non-Program Revenues

2011 Budget

HISTORICAL TRENDS

	Non-Program Revenues (\$ millions)						
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual (Projected)	2010 Budget	2011 Budget (DRAFT)
Hydro Dividends & Interest	(5.7)	(7.9)	(8.2)	(5.3)	(5.0)	(5.0)	(5.0)
Investment Income	(4.4)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)
POA	(2.9)	(2.2)	(3.1)	(3.2)	(2.7)	(2.9)	(3.2)
Penalties and Interest	(8.6)	(8.2)	(8.8)	(8.1)	(8.1)	(7.7)	(7.7)
Payment-in-Lieu	(11.1)	(11.8)	(11.5)	(13.9)	(14.1)	(14.0)	(14.0)
Right of Way Taxes	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)
Supplementary Taxes	(6.2)	(6.5)	(8.4)	(9.2)	(9.0)	(6.3)	(6.7)
Tax Capping	3.0	2.2	1.1	0.4	0.2	0.5	0.4
Tax Remissions/Write Offs	16.4	13.1	10.5	8.6	9.5	9.5	9.5
OMPF / Special Funding	(51.0)	(48.0)	(51.3)	(42.5)	(25.8)	(25.8)	(4.0)

POA Gross Revenues



2011 SAVINGS OPTIONS (not included in budget)

- Information Services Contract Savings and Incentives (FCS11024)
 - *That annualized savings from the printer and cell phone contracts of \$94,000 and \$77,700 respectively, be incorporated into the 2011 Operating Budget to reduce the levy requirement by a total of \$171,700*
 - *That additional [cell phone contract] savings of \$218,000 in respect of the 5 year average annual contract incentive payments and bill credits be used to reduce the 2011 levy by \$131,000 and fund 1.0 FTE for a contract analyst (at a cost of \$87,000) to ensure further savings materialize*
- If report approved, Corporate Financials 2011 budget will be reduced by **\$302,700** (\$171,700 + \$131,000)